



## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### 15 CFR Part 744

[Docket No. 221209-0268]

RIN 0694-AJ02

#### Revisions to the Unverified List and the Entity List

**AGENCY:** Bureau of Industry and Security, Department of Commerce.

**ACTION:** Final rule.

**SUMMARY:** The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) by removing 9 persons from the Unverified List (UVL) and adding them to the Entity List, all under the destination of Russia. BIS has been unable to verify the *bona fides* of all 9 persons being removed from the UVL and added to the Entity List, due to the foreign government's prevention of timely end-use checks. BIS is also amending the EAR by removing 27 persons from the UVL, one under the destination of Pakistan and 26 under the destination of China, because BIS was able to verify their *bona fides*.

**DATES:** This rule is effective: [INSERT DATE OF PUBLICATION BY THE OFFICE OF THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** For questions on the Entity List revisions, contact: Chair, End-User Review Committee, Office of the Assistant Secretary for Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Email: [ERC@bis.doc.gov](mailto:ERC@bis.doc.gov).

For questions on the Unverified List revisions, contact Linda Minsker, Director, Office of Enforcement Analysis, Phone: (202) 482-4255, Email: [UVLRequest@bis.doc.gov](mailto:UVLRequest@bis.doc.gov).

#### SUPPLEMENTARY INFORMATION:

## **Background**

### **Entity List Changes**

The Entity List (supplement no. 4 to part 744 of the EAR) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States, pursuant to § 744.11(b). The EAR impose additional license requirements on, and limit the availability of most license exceptions for, exports, reexports, and transfers (in-country) when a listed entity is a party to the transaction. The license review policy for each listed entity is identified in the “License Review Policy” column on the Entity List, and the impact on the availability of license exceptions is described in the relevant *Federal Register* document that added the entity to the Entity List. The Bureau of Industry and Security (BIS) places entities on the Entity List pursuant to part 744 (Control Policy: End-User and End-Use Based) and part 746 (Embargoes and Other Special Controls) of the EAR.

The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and makes all decisions to remove or modify an entry by unanimous vote.

#### *Additions to the Entity List and Removal from the Unverified List*

The ERC determined to add the following entities to the Entity List pursuant to § 744.11(b)(4)(ii) under the destination of Russia: Alliance EG Ltd.; FSUE Rosmorport Far Eastern Basin Branch; Intercom Ltd.; Nasosy Ampika; Nuclin LLC; SDB IRE RAS; Security 2 Business Academy; Tavrida Microelectronics; and VIP Technology Ltd. These entities are being added due to the long-term (60 days or greater) prevention of a successful end-use check conducted by or on behalf of BIS. Specifically, there has been a sustained lack of cooperation

by the host government to schedule and facilitate the completion of a timely end-use check of persons listed on the Unverified List. As a result of the sustained inability to conduct an end-use check, there is an unacceptable risk of diversion or misuse of items subject to the EAR. The ERC believes that prior review of exports, reexports, or transfers (in-country) involving the entities and the possible imposition of license conditions or license denial enhance BIS's ability to prevent violations of the EAR. These entities are added to the Entity List with a license requirement for all items subject to the EAR. BIS will review license applications pertaining to these entities under a policy of denial, pursuant to § 746.8(b). No license exceptions are available for exports, reexports, or transfers (in-country) to these entities.

As a conforming change, each of the entities added to the Entity List by this rule is also removed from the Unverified List. For other changes to the Unverified List made by this rule, which are separate from this action, please see below.

### **Unverified List Changes**

The UVL, found in supplement no. 6 to part 744 of the EAR, contains the names and addresses of foreign persons who are or have been parties to a transaction, as described in § 748.5 of the EAR, involving the export, reexport, or transfer (in-country) of items subject to the EAR. These foreign persons are added to the UVL because BIS or federal officials acting on BIS's behalf were unable to verify their *bona fides* (i.e., legitimacy and reliability relating to the end use and end user of items subject to the EAR) through the completion of an end-use check. Sometimes these checks, such as a pre-license check (PLC) or a post-shipment verification (PSV), cannot be completed satisfactorily for reasons outside the U.S. Government's control.

There are any number of reasons why these checks cannot be completed to the satisfaction of the U.S. Government. The reasons include, but are not limited to: (1) reasons unrelated to the cooperation of the foreign party subject to the end-use check (for example, BIS sometimes initiates end-use checks but is unable to complete them because the foreign party cannot be

found at the address indicated on the associated export documents and BIS cannot contact the party by telephone or email); (2) reasons related to a lack of cooperation by the host government that fails to schedule and facilitate the completion of an end-use check, for example by host government agencies' lack of responses to requests to conduct end-use checks, actions preventing the scheduling of such checks, or refusals to schedule checks in a timely manner; or (3) when, during the end-use check, a recipient of items subject to the EAR is unable to produce the items that are the subject of the end-use check for visual inspection or provide sufficient documentation or other evidence to confirm the disposition of the items.

BIS's inability to confirm the *bona fides* of foreign persons subject to end-use checks for the reasons described above raises concerns about the suitability of such persons as participants in future exports, reexports, or transfers (in-country) of items subject to the EAR; this also indicates a risk that such items may be diverted to prohibited end uses and/or end users. Under such circumstances, there may not be sufficient information to add the foreign person at issue to the Entity List under § 744.11 of the EAR. Therefore, BIS may add the foreign person to the UVL.

As provided in § 740.2(a)(17) of the EAR, the use of license exceptions for exports, reexports, and transfers (in-country) involving a party or parties to the transaction who are listed on the UVL is suspended. Additionally, under § 744.15(b) of the EAR, there is a requirement for exporters, re-exporters, and transferors to obtain (and maintain a record of) a UVL statement from a party or parties to the transaction who are listed on the UVL before proceeding with exports, reexports, and transfers (in-country) to such persons, when the exports, reexports and transfers (in-country) are not subject to a license requirement. Finally, pursuant to § 758.1(b)(8), Electronic Export Information (EEI) must be filed in the Automated Export System (AES) for all exports of tangible items subject to the EAR where parties to the transaction, as described in § 748.5(d) through (f), are listed on the UVL.

Requests for the removal of a UVL entry must be made in accordance with § 744.15(d) of the EAR. Decisions regarding the removal or modification of UVL entry will be made by the Deputy Assistant Secretary for Export Enforcement, based on a demonstration by the listed person of their *bona fides*.

#### *Removals from the UVL*

This final rule removes 27 persons from the UVL after BIS was able to verify their *bona fides*. This rule removes ENGRO Polymer & Chemicals Limited under the destination of Pakistan and the following 26 persons under the destination of China: “Beijing Naura Magnetolectric Technology Co., Ltd.,” “CCIC Southern Electronic Product Testing Co., Ltd.,” “Center for High Pressure Science and Technology Advanced Research,” “Changchun National Extreme Precision Optics Co., Ltd.,” “Chinese Academy of Geological Sciences, Institute of Mineral Resources,” “Chinese Academy of Science (CAS) Institute of Chemistry,” “Dongguan Durun Optical Technology Co., Ltd.,” “Foshan Huaguo Optical Co., Ltd.,” “Guangdong University of Technology,” “Guangxi Intai Technology Co., Ltd.,” “Guangxi Yuchai Machinery Co., Ltd.,” “Guangzhou Hymson Laser Technology Co., Ltd.,” “Heshan Deren Electronic Technology Co., Ltd.,” “Hubei Longchang Optical Co., Ltd.,” “Hubei Sinophorus Electronic Materials Co., Ltd.,” “Kunshan Heng Rui Cheng Industrial Technology,” “Shanghai Fansheng Optoelectronic Science & Technology Co. Ltd.,” “Shanghai Micro Electronics Equipment (Group) Co., Ltd.,” “ShanghaiTech University,” “Southern University of Science and Technology, Department of Mechanical and Energy Engineering,” “University of Chinese Academy of Sciences, School of Chemical Sciences,” “University of Shanghai for Science and Technology,” “Vital Advanced Materials Co., Ltd.,” “Wuhan Juhere Photonic Tech Co., Ltd.,” “Wuxi Biologics (Shanghai) Co., Ltd.” and “Zhongshan Thincloud Optics Co., Ltd.”. BIS is removing these 27 persons pursuant to § 744.15(c)(2) of the EAR.

Removal of a person from the UVL because BIS was able to verify their *bona fides* does not affect any other section of the EAR that imposes a license requirement for exports, reexports, transfers (in-country), or exports from abroad or activities of U.S. persons. In addition, this action does not preclude subsequent action, including adding such persons to the Entity List pursuant to part 744 of the EAR.

### **Export Control Reform Act of 2018**

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018 (ECRA), 50 U.S.C. Sections 4801–4852. ECRA provides the legal basis for BIS’s principal authorities and serves as the authority under which BIS issues this final rule.

### **Savings Clause**

For the changes being made in this final rule, shipments of items removed from eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export, reexport, or transfer (in-country), on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER], pursuant to actual orders for export, reexport, or transfer (in-country) to or within a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR).

### **Executive Order Requirements**

Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distribute impacts, and equity). Executive Order 13563 emphasizes the

importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule is not a “significant regulatory action” under Executive Order 12866.

This rule does not contain policies with Federalism implications as that term is defined under Executive Order 13132.

### **Paperwork Reduction Act Requirements**

Notwithstanding any other provision of law, no person is required to respond to, nor is subject to a penalty for failure to comply with, a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number.

The Entity List additions involves collections previously approved by OMB under control number 0694-0088, Simplified Network Application Processing System, which includes, among other things, license applications and commodity classifications, and carries a burden estimate of 29.4 minutes for a manual or electronic submission for a total burden estimate of 33,133 hours. Total burden hours associated with the PRA and OMB control number 0694-0088 are not expected to increase as a result of this rule.

BIS believes that the overall increases in burdens and costs will be minimal and will fall within the already approved amounts for these existing collections.

### **Administrative Procedure Act and Regulatory Flexibility Act Requirements**

Pursuant to Section 4821 of ECRA, this action is exempt from the Administrative Procedure Act (5 U.S.C. 553) requirements for notice of proposed rulemaking and opportunity for public participation.

Further, no other law requires notice of proposed rulemaking or opportunity for public comment for this final rule. Because a notice of proposed rulemaking and an opportunity for

public comment are not required under the Administrative Procedure Act or by any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) are not applicable.

#### **List of Subjects in 15 CFR Part 744**

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730 through 774) is amended as follows:

#### **Part 744 - [AMENDED]**

1. The authority citation for 15 CFR part 744 continues to read as follows:

**Authority:** 50 U.S.C. 4801–4852; 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of September 19, 2022, 87 FR 57569 (September 21, 2022); Notice of November 8, 2022, 87 FR 68015 (November 10, 2022).

2. Amend Supplement no. 4 to part 744 under RUSSIA, by adding in alphabetical order, entries for “Alliance EG Ltd.”, “FSUE Rosmorport Far Eastern Basin Branch”, “Intercom Ltd.”, “Nasosy Ampika”, “Nuclin LLC”, “SDB IRE RAS”, “Security 2 Business Academy”, “Tavrida Microelectronics”, and “VIP Technology Ltd.” to read as follows:

#### **Supplement No. 4 to Part 744 – Entity List**

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COUNTRY	ENTITY	LICENSE REQUIREMENT	LICENSE REVIEW POLICY	FEDERAL REGISTER CITATION
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RUSSIA	*****			
	Alliance EG Ltd., Leninsky Prospect 139, Office 310 St. Petersburg 198216, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	FSUE Rosmorport Far Eastern Basin Branch, Nizhneportovaya Street 3 Primorskiy Territory, Vladivostok 690003, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	Intercom Ltd., Kalinina Street 13 Saint Petersburg 198099, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	Nasosy Ampika, 3-ya Institutskaya St. Bld. 15 Moscow, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	*****			
	Nuclin LLC, Serebryakova Proezd 14 Moscow, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	SDB IRE RAS, 1 Vvedenskogo Square Fryazino, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Security 2 Business Academy, a.k.a., the following two aliases: - S2BA - Academy of Business Security.  Deguninskaya Street 10 Moscow, Russia; and Novoslobodskaya Str. 14/19 Moscow, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	Tavrida Microelectronics, Zelenaya Street 1 Dolgoprudnyy Moscow 141700, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	VIP Technology Ltd., Bechtereva Street 3/2, Office 40 Saint Petersburg 192019, Russia.	For all items subject to the EAR. (See §744.11 of the EAR)	Policy of denial. See § 746.8(b)	87 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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3. Supplement no. 6 to part 744 is amended by:

a. Under CHINA, PEOPLE’S REPUBLIC OF, removing the following entries: “Beijing Naura Magnetoelectric Technology Co., Ltd.”, “CCIC Southern Electronic Product Testing Co., Ltd .”, “Center for High Pressure Science and Technology Advanced Research”, “Changchun National Extreme Precision Optics Co., Ltd.”, “Chinese Academy of Geological Sciences, Institute of Mineral Resources”, “Chinese Academy of Science (CAS) Institute of Chemistry”, “Dongguan Durun Optical Technology Co., Ltd.”, “Foshan Huaguo Optical Co., Ltd.”, “Guangdong University of Technology”, “Guangxi Intai Technology Co., Ltd.”, “Guangxi Yuchai Machinery Co., Ltd.”, “Guangzhou Hymson Laser Technology Co., Ltd.”, “Heshan

Deren Electronic Technology Co., Ltd.”, “Hubei Longchang Optical Co., Ltd.”, “Hubei Sinophorus Electronic Materials Co., Ltd.”, “Kunshan Heng Rui Cheng Industrial Technology”, “Shanghai Fansheng Optoelectronic Science & Technology Co., Ltd.”, “Shanghai Micro Electronics Equipment (Group) Co., Ltd.”, “ShanghaiTech University”, “Southern University of Science and Technology, Department of Mechanical and Energy Engineering”, “University of Chinese Academy of Sciences, School of Chemical Sciences”, “University of Shanghai for Science and Technology”, “Vital Advanced Materials Co., Ltd.”, “Wuhan Juhere Photonic Tech Co., Ltd.”, “Wuxi Biologics (Shanghai) Co., Ltd.”, and “Zhongshan Thincloud Optics Co., Ltd.”;

b. Under PAKISTAN, removing the entry for “ENGRO Polymer & Chemicals Limited”; and

c. Under RUSSIA, removing the following entries: “Alliance EG Ltd.”, “FSUE Rosmorport Far Eastern Basin Branch”, “Intercom Ltd.”, “Nasosy Ampika”, “Nuclin LLC”, “SDB IRE RAS”, “Security 2 Business Academy”, “Tavrida Microelectronics”, and “VIP Technology Ltd.”

**Matthew S. Borman**

*Deputy Assistant Secretary for Export Administration*

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